



Office of Audits
Office of Inspector General
U.S. General Services Administration

IMPLEMENTATION REVIEW OF CORRECTIVE ACTION PLAN

Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service Report Number A170025/Q/T/P17004 September 28, 2017

Assignment Number A180074
June 29, 2018

Table of Contents

Introduction	1
Results	3
Appendixes	
Appendix A – Corrective Action Plan for Report Number A170025/Q/T/P17004	A-1
Appendix B – Report Distribution	B-1

Introduction

We have completed an implementation review of the management actions taken in response to the recommendations contained in our September 28, 2017, audit report, *Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service*, Report Number A170025/Q/T/P17004 (see **Appendix A**).

Objective

The objective of our review was to determine whether the Federal Acquisition Service (FAS) has taken the actions as outlined in the corrective action plan for *Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service*. To accomplish our objective we:

- Reviewed the audit report, *Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service*, Report Number A170025/Q/T/P17004;
- Examined documentation submitted by FAS to support completion of the corrective action plan steps; and
- Corresponded with FAS personnel.

Background

The Employee Relocation Resource Center within FAS serves as the Centralized Household Goods Traffic Management Program (CHAMP) Program Management Office. CHAMP assists civilian federal agency employees when they relocate to a new duty station. CHAMP services are governed by the GSA Domestic 500A-2016 Tariff (tariff), which includes program rules, regulations, and governing provisions. The tariff includes rates and charges for transportation and additional services. One such additional service is shuttle service, which is when a smaller truck is used to transfer household goods from a residence to the linehaul truck, or vice versa.

In August 2016, a post-payment contract auditor raised concerns about shuttle service fees within CHAMP, asserting that carriers were charging federal agencies for a shuttle service fee without a transfer between a linehaul truck and a smaller shuttle truck, resulting in the government being overcharged. The matter was elevated to the CHAMP Program Management Office for review, which ultimately determined that the CHAMP tariff and tender of service in effect at the time did not require a shuttle service to include a truck to truck transfer. Concurrent with these events, the CHAMP Program Management Office was revising the tariff to clarify the requirements surrounding shuttle services. This revised tariff served as the basis of our audit.

On September 28, 2017, we issued an audit report, *Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service*, to the FAS

Commissioner. The objective of the audit was to determine if the CHAMP tariff and tender of service conform to industry standards for shuttle services and protect the government from overcharges.

Our audit found:

- The CHAMP tariff includes an exception to the requirements for shuttle services, leaving the government at risk for overcharges.

To address the finding identified in our report, we recommended that the FAS Commissioner:

- Delete the shuttle service exception; and
- Determine if the tariff needs a new provision to address the use of a smaller truck.

The FSA Commissioner agreed with our report recommendations.

Results

Our implementation review determined that FAS has taken appropriate corrective actions to address the recommendations. We determined that no further action is necessary.

Audit Team

This review was managed out of the Great Lakes Region Audit Office and conducted by the individuals listed below:

Adam Gooch	Regional Inspector General for Auditing
Michael Lamonica	Audit Manager
Jennifer Rutili	Auditor-In-Charge
Jeremy Peterson	Auditor

Appendix A – Corrective Action Plan for Report Number A170025/Q/T/P17004

A170025/Q/T/P17004 Federal Acquisition Service Corrective Action Plan

Designated Responding Official: [REDACTED]

Contact Person: [REDACTED]

Telephone Number: [REDACTED]

Date: 11/3/2017

Audit report number A170025/Q/T/P17004 Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service	Recommendation Number 001	Proposed Recommendation Completion Date (Month/Year) September/2017
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Recommendation

001 Delete the shuttle service exception

<u>Action to be Taken Step by Step</u> 001 – Removed language from the tariff that allows a TSP - in rare and/or unique circumstances - to bill for shuttle charges in addition to applicable linehaul charges when small equipment is utilized without a truck-to-truck transfer.	<u>Supporting Documentation to be sent to the Audit Management Division</u> GSA Domestic 500A-2017 Tariff issued September 27, 2017	<u>Documentation</u> Complete (copy attached) GSA 500A Tariff - Page 35, Item 33, Paragraph 2 Application of Shuttle Service
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Audit report number A170025/Q/T/P17004 Limited Scope Audit of GSA's Centralized Household Goods Traffic Management Program Tariff and Tender of Service	Recommendation Number 002	Proposed Recommendation Completion Date (Month/Year) September/2017
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Recommendation

002 Determine if the tariff needs a new provision to address the use of a smaller truck

<u>Action to be Taken Step by Step</u> 001 - Clarified in the newly revised HTOS those instances where smaller equipment was used for the duration of a shipment (from origin to destination).	<u>Supporting Documentation to be sent to the Audit Management Division</u> GSA Household Goods Tender of Service (HTOS) issued September 26, 2017.	<u>Documentation</u> Complete (copy attached) HTOS Section 5.12.1, Page 70)
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Appendix B – Report Distribution

Acting GSA Administrator (A)

Commissioner (Q)

Deputy Commissioner (Q)

Chief of Staff (Q0A)

Assistant Commissioner, Office of Policy and Compliance (QV)

Financial Management Officer, FAS Financial Services Division (BGF)

Acting Assistant Commissioner, Office of Travel, Transportation & Logistics (QM)

Director, Office of Travel Employee Relocation and Transportation (QMC)

Director, Employee Relocation Resource Center (QMCG)

Chief Administrative Services Officer (H)

Audit Management Division (H1EB)

Assistant Inspector General for Auditing (JA)

Director, Audit Planning, Policy, and Operations Staff (JAO)